

CITY OF FAIRFIELD

RESOLUTION NO. 2016 - 132

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD AUTHORIZING
EXECUTION OF A PURCHASE AND SALE AGREEMENT AND JOINT ESCROW
INSTRUCTIONS BY AND BETWEEN THE CITY OF FAIRFIELD, THE CITY OF
VACAVILLE AND CANON STATION, LLC FOR APPROXIMATELY ±19.83 ACRES
OF VACANT LAND HAVING THE APN 0166-020-130 LOCATED IN THE CITY OF
FAIRFIELD AND APPROVING THE AB 562 SUMMARY REPORT IN CONNECTION
HEREWITH**

WHEREAS, the subject approximately 19.83 acre parcel adjacent to the North Bay Regional Water Treatment Plant is a vacant land parcel (the "Property") owned by the cities of Fairfield and Vacaville; and

WHEREAS, the cities of Fairfield and Vacaville have determined the subject parcel to be surplus and desire to sell the parcel; and

WHEREAS, Canon Station, LLC is offering to purchase the Property from the cities of Fairfield and Vacaville for two million four hundred seventy eight thousand seven hundred fifty dollars (\$2,478,750). The contemplated transaction is subject to the terms and conditions of the Purchase and Sale Agreement included as Attachment 2; and

WHEREAS, the Canon Station, LLC desires to purchase and the City desires to sell the Property; and

WHEREAS, following notice given in accordance with law, on this date the City Council held a full and fair public hearing regarding the proposed Agreement and the City has prepared the necessary report pursuant to Assembly Bill 562, attached hereto as Attachment 3.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY
RESOLVES:**

Section. 1 The City Council hereby approves and authorizes execution of the Purchase and Sale Agreement by and between the City of Fairfield, the City of Vacaville and Canon Station, LLC for the sale of the subject parcel, subject to minor modifications with approval as to form by the City Attorney.

Section 2. The City Manager or designee is hereby authorized to do all things necessary and proper to implement this resolution including executing any and all documents necessary to transfer title of the Property and for execution of the Promissory Note, subject to minor modifications with approval as to form by the City Attorney.

PASSED AND ADOPTED this 21st day of June 2016, by the following vote:

AYES: COUNCILMEMBERS: PRICE/TIMM/BERTANI/MOY/VACCARO

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

ABSTAIN: COUNCILMEMBERS: NONE

Nancy T. Price
MAYOR

ATTEST:

Eve Haff, Domanj
CITY CLERK
pw

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(Approximately 19.83 Acres Adjacent to Vanden Road)

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (the "Agreement"), is dated as of July 30, 2016, and is entered into by and between the CITY OF FAIRFIELD, a municipal corporation ("Fairfield") and the CITY OF VACAVILLE, a municipal corporation ("Vacaville") (collectively, "Seller") and CANON STATION, LLC, a California limited liability company ("Buyer"). As used herein, Seller and Buyer are referred to collectively as the "Parties" and individually as "Party". The obligations of Fairfield and Vacaville under this Agreement are several (not joint) such that in no event shall Fairfield be liable for a default by Vacaville and in no event shall Vacaville be liable for a default by Fairfield (but in no event shall the foregoing affect or diminish Buyer's remedy of specific performance).

RECITALS

A. Seller is the owner of the land described on Exhibit "A" attached hereto, together with any easements, rights and privileges appurtenant thereto, and all improvements thereon ("Property").

B. Buyer wishes to acquire the Property, and Seller is willing to sell the Property to Buyer and make a secured purchase money loan to Buyer for the purchase price.

NOW, THEREFORE, the Parties hereto agree as follows:

ARTICLE 1. DEFINITIONS

The following capitalized terms as used in this Agreement shall have the respective meanings set forth below:

Section 1.1 Approval Notice means the written notice provided by the Buyer to Escrow Holder stating that Buyer approves the Property's physical condition and suitability for development.

Section 1.2 Buyer means Canon Station, LLC, a California limited liability company. The principal office of the Buyer is located at One Kaiser Plaza, Suite 1450, Oakland, California 94612.

Section 1.3 Deed of Trust shall mean a Deed of Trust and Assignment of Rents in the form attached hereto as Exhibit "B".

Section 1.4 Effective Date shall mean the date on which both Parties (as defined above) have executed this Agreement.

Section 1.5 Escrow Holder shall mean Placer Title Company located at 1300 Oliver Road, Suite 120, Fairfield, CA 94534 or other title company mutually agreed upon by the Parties.

Section 1.6 Event of Default means any breach of, or default under the terms of this Agreement that is not cured after notice and/or the expiration of the cure period as more particularly described in Article V below.

Section 1.7 Grant Deed shall mean the Grant Deed in the form attached hereto as Exhibit "C".

Section 1.8 Hazardous Materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," "pollutant or contaminant," "imminently hazardous chemical substance or mixture," "hazardous air pollutant," "toxic pollutant," "hazardous waste," "extremely hazardous waste" or "toxic substances" in any of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; The Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq.; and those substances defined as "hazardous substances" in §25316 of the California Health & Safety Code; and in the regulations adopted and publications promulgated pursuant to said laws (collectively, "Hazardous Materials Laws").

Section 1.9 Intercreditor Agreement means an agreement acceptable to both Fairfield and Vacaville regarding the Promissory Note and Deed of Trust.

Section 1.10 Investigation Period means the due diligence period for the Buyer to conduct an investigation of the Property's physical condition and suitability for development as provided in Section 2.10.

Section 1.11 Promissory Note means a Promissory Note secured by Deed of Trust in the form attached hereto as Exhibit "D".

Section 1.12 Title Company shall mean Placer Title Company located at 1300 Oliver Road, Suite 120, Fairfield, CA 94534 or .

ARTICLE 2. PURCHASE AND SALE OF PROPERTY.

Section 2.1 Sale of the Property by the Seller to the Buyer. The Seller hereby agrees to sell the Property to Buyer, and Buyer hereby agrees to buy the Property, for the sum of Two Million Four Hundred Seventy-Eight Thousand Seven Hundred Fifty and No/100 Dollars (\$2,478,750.00) (the "Purchase Price").

Section 2.2 Payment of the Purchase Price

Section 2.2.1 Deposit. Upon the opening of Escrow, as described in Section 2.3.1 below, Buyer shall deposit with Escrow Holder the sum of Fifty Thousand Dollars (\$50,000.00) as a deposit ("Deposit") on account of the Purchase Price. If requested by the Buyer, the Deposit shall be invested by Escrow Holder in an interest bearing account acceptable

to Buyer and Seller with all interest accruing thereon to be credited to the Purchase Price upon the Close of Escrow. The Deposit shall be applicable to the Purchase Price upon Closing; upon the Closing, \$18,165 of the Deposit shall be delivered to Vacaville and the remainder of the Deposit shall be delivered to Fairfield. The Deposit shall be fully refundable to Buyer during the Investigation Period. In addition, if this Agreement terminates for any reason (other than as a result of a breach or default by Buyer hereunder) prior to the Close of Escrow, then the Deposit shall be promptly refunded to Buyer.

Section 2.2.2 Promissory Note. The balance of the Purchase Price shall be paid by the execution by Buyer and delivery to Fairfield through Escrow of the Promissory Note on the terms set forth therein.

Section 2.2.3 Deed of Trust. The Promissory Note is to be secured by a deed of trust in the form of the Deed of Trust, which shall be recorded by Escrow Holder at the Close of Escrow. The Deed of Trust shall be a first priority lien on the Property, subject however to the exceptions listed in the Title Policy as approved by Buyer pursuant to Section 2.6 below.

Section 2.2.4 Subordination. Seller agrees to subordinate the lien of the Deed of Trust from time to time to the liens of one or more subsequent deed(s) of trust or other encumbrances that are obtained by Buyer in order to finance Community Facilities Districts (Government Code §§53311 et seq.) with respect to the development of the Property (the “**Subordinating Facilities**”), in Seller’s discretion, not to be unreasonably denied delayed or conditioned, upon Buyer’s written request therefor together with a copy of the instrument as to which subordination is requested. Buyer and Seller shall execute a reasonable subordination agreement in a reasonable form requested by the holder of the Subordinating Facilities upon Seller’s approval of such request.

Section 2.2.5 Independent Consideration. Buyer shall deposit into Escrow concurrently with and in addition to the Deposit the amount of One Hundred Dollars (\$100.00) (the “**Independent Consideration**”). The Independent Consideration shall be non-refundable to Buyer as independent consideration for the rights extended to Buyer under this Agreement, including, without limitation, the right to terminate this Agreement subject to the terms herein. The Independent Consideration shall be released to Seller immediately following Buyer’s deposit of the Independent Consideration into Escrow. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement and the Deposit or any portion thereof is returned to Buyer, Seller shall retain the Independent Consideration when the Deposit is returned to Buyer. The Independent Consideration shall not be applicable towards the Purchase Price or treated as consideration given by Buyer for any purpose other than stated in this Section

Section 2.2.6 Liquidated Damages. FOLLOWING EXPIRATION OF THE INVESTIGATION PERIOD WITH BUYER ELECTING TO PROCEED WITH THE PURCHASE OF THE PROPERTY, IF BUYER FAILS TO PURCHASE THE PROPERTY THROUGH NO FAULT OF SELLER WHEN BUYER IS OTHERWISE OBLIGATED TO DO SO UNDER THE TERMS OF THIS AGREEMENT, AND ALL CONDITIONS PRECEDENT TO BUYER’S OBLIGATIONS TO CLOSE ESCROW HAVE BEEN SATISFIED OR EXPRESSLY WAIVED, INCLUDING THE BUYER’S CONTINGENCIES (DEFINED IN

SECTION 2.4), AND SUBJECT TO ANY APPLICABLE NOTICE AND CURE PERIODS, ESCROW HOLDER MAY BE INSTRUCTED BY THE SELLER TO CANCEL THE ESCROW, AND PROVIDED SELLER TERMINATES THIS AGREEMENT PURSUANT TO THE TERMS HEREIN, THE SELLER AND BUYER SHALL THEREUPON BE RELEASED FROM ALL OBLIGATIONS HEREUNDER EXCEPT THOSE THAT EXPRESSLY SURVIVE TERMINATION. IN SUCH EVENT, THE SELLER SHALL BE RELIEVED FROM ALL LIABILITY HEREUNDER, AND, PROMPTLY FOLLOWING ESCROW HOLDER'S RECEIPT OF SUCH INSTRUCTION, AND NOTWITHSTANDING ANY CONFLICTING INSTRUCTION RECEIVED BY ESCROW HOLDER FROM BUYER OR ANY AGENT OF BUYER, ESCROW HOLDER SHALL: (i) CANCEL THE ESCROW, (ii) PAY ALL OF ESCROW HOLDER'S CHARGES FROM THE TOTAL AMOUNT OF FUNDS THEN HELD BY ESCROW HOLDER (OR IF NO SUCH FUNDS ARE HELD BY ESCROW HOLDER, THEN FROM ADDITIONAL FUNDS DEPOSITED BY BUYER), AND (iii) DISBURSE TO THE SELLER THE DEPOSIT PLUS ALL ACCRUED INTEREST THEREON. BUYER AND THE SELLER AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH THE SELLER'S DAMAGES BY REASON OF BUYER'S DEFAULT. ACCORDINGLY, BUYER AND SELLER AGREE THAT IN THE EVENT OF DEFAULT BY BUYER UNDER THIS AGREEMENT NOT CAUSED BY SELLER'S DEFAULT, AND THE CLOSE OF ESCROW FAILS TO CLOSE AS A RESULT OF SUCH DEFAULT, IT WOULD BE REASONABLE AT SUCH TIME TO AWARD THE SELLER "LIQUIDATED DAMAGES" (AND NOT AS A PENALTY) EQUAL TO THE DEPOSIT PLUS ALL ACCRUED INTEREST THEREON AS SELLER'S SOLE AND EXCLUSIVE REMEDY IN LIEU OF, AND AS FULL COMPENSATION FOR, ALL OTHER RELIEF, RIGHTS OR CLAIMS OF SELLER AGAINST BUYER, AT LAW OR IN EQUITY, BY REASON OF SUCH DEFAULT. SELLER HEREBY WAIVES ITS RIGHT TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT IN THE EVENT OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY. SUCH RETENTION OF THE DEPOSIT BY SELLER IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE, AND SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTION 3275 OR SECTION 3369 OF THE CALIFORNIA CIVIL CODE, OR ANY SIMILAR PROVISION. FOLLOWING TERMINATION OF THIS AGREEMENT, CANCELLATION OF THE ESCROW AND THE DELIVERY TO AND RETENTION OF THE DEPOSIT BY SELLER AS LIQUIDATED DAMAGES PURSUANT TO THIS PARAGRAPH, ALL OF THE RIGHTS AND OBLIGATIONS OF BUYER AND SELLER UNDER THIS AGREEMENT SHALL BE TERMINATED (OTHER THAN OBLIGATIONS THAT EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT). THE AWARD OF LIQUIDATED DAMAGES TO SELLER, IF ANY, SHALL BE ALLOCATED BETWEEN FAIRFIELD AND VACAVILLE IN PROPORTION TO THEIR RESPECTIVE INTERESTS IN THE PROPERTY (I.E., 36.33% TO VACAVILLE AND THE REMAINING TO FAIRFIELD).

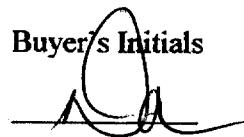
SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Seller's Initials

DW an



Buyer's Initials



Section 2.3 Escrow.

Section 2.3.1 Opening of Escrow. Within five (5) calendar days after the date of this Agreement, the Buyer and the Seller shall deliver a copy of this executed Agreement to Escrow Holder and will open an escrow (the "Escrow") with the Escrow Holder for the transfer of the Property to the Buyer.

Section 2.3.2 Close of Escrow. "Close of Escrow" or "Closing" means the date Escrow Holder causes the Grant Deed and Deed of Trust to be recorded in the Official Records of the County of Solano and delivers the Promissory Note to the City of Fairfield to hold in accordance with the Intercreditor Agreement. Close of Escrow shall occur within ten (10) calendar days following the expiration of the Investigation Period (the "Outside Date"). If for any reason other than a default by the Seller or Buyer the Closing does not occur on or before the Outside Date, this Agreement shall automatically terminate, unless extended in writing by all Parties, and all documents and monies previously deposited into the Escrow shall be promptly returned to the appropriate Party and Seller and Buyer shall each pay one-half (1/2) of any Escrow charges and fees in connection with such termination. Seller's portion of any Escrow charges and fees shall be allocated between Fairfield and Vacaville in proportion to their respective interests in the Property (i.e., 36.33% to Vacaville and the remainder to Fairfield).

Section 2.4 Conditions of Buyer's Obligations. The following are conditions precedent (collectively, "Buyer's Contingencies") to the Close of Escrow and Buyer's obligation to purchase the Property, which contingencies may be waived in writing in whole or in part by Buyer, at or prior to the time prescribed herein for approval or disapproval, as the case may be:

(i) Prior to expiration of the Investigation Period (as provided in Section 2.10 below), Buyer's delivery of the Approval Notice;

(ii) Counterpart originals of the Intercreditor Agreement, duly executed by Fairfield and Vacaville, respectively;

(iii) At the Closing, the issuance of the Title Policy (defined in Section 2.6 below) to Buyer, which will insure Buyer's fee simple interest in the Property in the amount of the Purchase Price and in form and substance and with endorsements reasonably satisfactory to the Buyer (including, at Buyer's option and at Buyer's expense, an ALTA 26-06 endorsement confirming the Property is a separate legal parcel in compliance with the Subdivision Map Act Government Code §§66410 et seq.);

(iv) Prior to expiration of the Investigation Period, Buyer's approval in its sole discretion of a survey (or update of an existing survey) of the Property obtained by Buyer at its own expense. (Seller to provide Buyer with all surveys in its possession as of the Effective Date);

(v) All of the representations and warranties of Seller contained in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the date of Closing;

(vi) The Property shall be free of all tenancies and occupancy rights; and

(vii) At the Closing, the absence of an Event of Default by Seller hereunder.

Section 2.5 Conditions of Seller's Obligations. The following are conditions precedent (collectively, "Seller's Contingencies") to the Close of Escrow and Seller's obligation to sell the Property, which contingencies may be waived in writing in whole or in part by Seller, at or prior to the time prescribed herein for approval or disapproval, as the case may be:

(i) All of the representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the date of Closing; and

(ii) At the Closing, the absence of an Event of Default by Buyer hereunder.

Section 2.6 Title. Within five (5) days after the Effective Date, Seller shall deliver to Buyer a current preliminary title report for the Property with copies of all documents listed as title exceptions therein (the "PTR"). Buyer shall have fifteen (15) calendar days after delivery to object to such exceptions to title by written notice to Seller and Escrow Holder. If Buyer does not object in writing to an exception within said fifteen (15) day period, Buyer shall be deemed to have approved such exception. If Buyer timely objects in writing to the Seller regarding any exception, Seller shall notify Buyer whether Seller is willing to remove any such exception by written notice given within ten (10) calendar days after receipt of Buyer's written notice, and if Seller is willing to remove any such exception, shall attempt in good faith to remove such exception prior to the Close of Escrow, and if Seller is unable to remove the exception prior to the Close of Escrow, then Buyer may terminate this Agreement in which event all rights, obligations and liabilities of Seller and Buyer under and pursuant to this Agreement shall terminate (except for obligations or liabilities under this Agreement that expressly survive the termination of this Agreement). In no event shall Seller be obligated to expend any material sum or sums attempting to remove any title exception except as otherwise expressly provided herein.

Escrow Holder shall, following the recording of the Grant Deed, provide Buyer with a-an ALTA Extended Coverage Policy of Title Insurance in the amount of the Purchase Price, including full coverage against mechanics' and materialmen's liens, issued by the Title Company, showing the title to the Property vested in Buyer, subject only to the applicable title

exceptions approved by Buyer in accordance with this Section and the Deed of Trust (the "Title Policy"). Notwithstanding the above, title to the Property shall be free of any "monetary encumbrances" at the Close of Escrow except for the Deed of Trust, the lien of ad valorem real property taxes and general and special assessments not yet due and payable, and any other deed of trust or lien created by Buyer, the rights of any third parties as tenants, licensees or occupants of the Property, and any lien or encumbrance created or caused by Seller that is recorded subsequent to the date of issuance of the PTR.

Section 2.7 Deposit of Documents and Funds In Escrow. Seller and Buyer, as applicable, hereby covenant and agree to deliver at least one (1) business day prior to the Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

Section 2.7.1 Seller shall deliver to Escrow:

- (i) a Grant Deed duly executed by Seller and acknowledged;
- (ii) such funds as are required to pay for costs and expenses payable by Seller hereunder;
- (iii) a Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") affidavit and a California form 593 (if required); and
- (iv) such proof of Seller's authority and authorization to enter into this transaction and such other documentation as the Title Company may reasonably require in order to issue the Title Policy, including Title Company's standard owner's affidavit and mechanics' lien indemnity agreement.

Section 2.7.2 Buyer shall deliver to Escrow:

- (i) an original of the Promissory Note, duly executed by Buyer;
- (ii) an original of the Deed of Trust, duly executed by Buyer and acknowledged;
- (iii) such additional funds as are required to pay for costs and expenses payable by Buyer hereunder; and
- (iv) such proof of Buyer's authority and authorization to enter into this transaction as the Title Company may reasonably require to issue the Title Policy.

Section 2.8 Authorization to Record Documents and Disburse Funds. Escrow Holder shall record the documents and disburse the funds and distribute the documents called for hereunder and shall deliver the original Promissory Note and the counterpart Intercreditor Agreement executed by Vacaville to Fairfield, and shall deliver the counterpart Intercreditor Agreement executed by Fairfield to Vacaville, upon the Close of Escrow provided each of the following conditions has then been fulfilled:

Section 2.8.1 The Title Company is irrevocably committed to issue in favor of Buyer the Title Policy, with a liability amount equal to the Purchase Price, showing fee simple title to the Property vested in Buyer, subject only to the applicable title exceptions approved by Buyer in accordance with Section 2.6;

Section 2.8.2 Escrow Holder shall have received Seller's and Buyer's authorization to close upon the terms and conditions herein, which authorization shall not be unreasonably withheld, conditioned or delayed; and

Section 2.8.3 Seller and Buyer shall have deposited in Escrow the documents and funds required to be deposited in Escrow pursuant to Section 2.7.1 and 2.7.2.

Unless otherwise instructed in writing, Escrow Holder is authorized to record at the Close of Escrow any instrument delivered to Escrow Holder if necessary or proper for the issuance of the Title Policy.

Section 2.9 Escrow Charges and Prorations.

Section 2.9.1 Buyer shall pay all closing costs, including: (i) documentary or other local transfer taxes payable upon recordation of the Grant Deed; (ii) the cost of the Title Policy; (iii) any recording charges; and (iv) all escrow fees. However, Seller shall pay one-hundred percent (100%) of any applicable Escrow cancellation charges if the failure to close Escrow is caused by Seller's default.

Section 2.9.2 Property taxes and any assessments shall be apportioned with respect to the Property as of 12:01 a.m., on the day on which the Close of Escrow occurs, as if Buyer were vested with title during the entire day upon which the Close of Escrow occurs.

Section 2.9.3 Notwithstanding anything contained in Section 2.9.2, any installment of taxes or assessments for the current year paid at or prior to the Close of Escrow for the Property shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before the Close of Escrow, Seller shall be charged and Buyer shall be credited at the Close of Escrow an amount equal to that portion of such taxes and assessments which relates to the period before the Close of Escrow and Buyer shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at the Close of Escrow, the Parties shall make all necessary adjustments by appropriate payments between themselves following the Close of Escrow. All delinquent taxes and assessments (and any penalties therein) for periods prior to the Close of Escrow, if any, affecting the Property shall be paid by Seller.

Section 2.9.4 All prorations shall be determined on the basis of a three hundred and sixty (360)-day year. The provisions of this Section 2.9 shall survive the Close of Escrow.

Section 2.10 Investigation Period. It is understood and agreed upon and between the Parties hereto that Buyer's acquisition of the Property is subject to and conditioned upon its inspection of the Property in its sole and absolute discretion, including, without limitation, soils

conditions and the absence from the Property of Hazardous Materials. The Seller shall provide to Buyer, within ten (10) calendar days after the Effective Date, copies of all material documents, reports, and correspondence in the Seller's possession or control that relate to the physical condition of the Property. The Investigation Period shall expire at 5 p.m. on the earlier of: (i) the date on which the Buyer delivers the Approval Notice, or (ii) the date that is forty-five (45) calendar days after the Effective Date of this Agreement (the "**Investigation Period**"). Commencing on the Effective Date, Buyer and its agents, employees, consultants and representatives may enter upon the Property: (i) after providing evidence of insurance coverage meeting the requirements attached hereto as Exhibit "E", and (ii) upon twenty-four (24) hour prior written notice sent to the Seller in order to investigate, conduct and carry out any and all inspections, tests and studies as Buyer deems appropriate or Buyer's lender requires regarding the physical condition of the entire Property; provided, however, that Seller's agent may request to be present during such inspections, and Buyer shall reasonably accommodate Seller in arranging a mutually convenient inspection time so that Seller or Seller's agents may be present. It is understood and agreed that the right of Buyer and Buyer's agents to enter onto the Property is being given solely to Buyer, and Buyer shall be solely responsible for its agents and that such inspections and actions are being done to determine the condition of the Property and not with the intent to affect the Property's value. Such inspections shall include, but not be limited to, the condition of soils, storm drainage, utility hookups and archaeological testing. Buyer shall have the right to terminate this Agreement at any time prior to the expiration of the Investigation Period at Buyer's sole and absolute discretion, for any reason whatsoever or for no reason. In order to proceed with the purchase of the Property, Buyer shall deliver to Seller the Approval Notice no later than the expiration of the Investigation Period. If Buyer instead delivers a notice of termination or fails to deliver the Approval Notice to Seller, this Agreement shall be deemed canceled and Buyer shall be entitled to the return of its Deposit (and the interest accrued thereon). Buyer shall indemnify, defend and hold Seller harmless from and against any claims whether by Buyer, Buyer's agents and employees, or by third parties to the extent resulting from Buyer's entry upon or the conduction of any inspections or tests of the Property; provided, however, the foregoing indemnity, defend and hold harmless obligations and the provisions above shall not apply to any loss, liability, cost, claim, damage, injury or expense to the extent arising from or related to the negligence or intentional misconduct of Seller, Seller's employees and officers, as applicable, or arising from Buyer's mere discovery of adverse physical conditions affecting the Property, including, without limitation, any Hazardous Materials. If this Agreement is terminated or if Escrow fails to close for any reason, Buyer shall promptly restore the Property to the same condition as existed prior to Buyer's undertaking of any inspection or testing thereon. All studies and reports prepared in connection with Buyer's inspection or testing of the Property are to be done at the expense of Buyer; provided, that Buyer shall provide Seller with a copy of all of the reports without cost (and without representation or warranty) promptly upon request to the extent permitted by the terms of such reports. Buyer's obligations and duties hereunder shall survive and remain upon the completion of the Closing or upon the termination of this Agreement for any reason or for no reason.

Section 2.11 "AS-IS" Condition of the Property. Other than as expressly set forth in this Agreement, Buyer agrees that it is purchasing the Property in its "AS-IS" condition as of the date of the Close of Escrow, with all faults, and without representation or warranty, express or implied.

Section 2.12 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer as set forth immediately below, which representations and warranties: (i) are all material to Buyer, (ii) shall survive the Closing, (iii) are true and correct in all respects as of the date hereof, and (iv) shall be deemed remade by Seller, and shall be true and correct in all material respects, as of the Closing Date:

Section 2.12.1 The documents reports, correspondence and other materials provided to Buyer pursuant to Section 2.10 shall consist of all material information in the Seller's possession or control that relate to the physical condition of the Property; such documents shall be true and correct copies of the materials in Seller's possession or control; such documents do not misstate or omit a material fact known to Seller with regard to the Property.

Section 2.12.2 This Agreement is, and all documents executed by each Seller which are to be delivered to Buyer at the Closing, will be, legal, valid and binding obligations of each Seller enforceable against such Seller in accordance with their respective terms, are, and at the time of Closing will be, sufficient to convey title (if they purport to do so), and do not, and at the time of Closing will not, violate any provision of any agreement or judicial order to which a Seller or the Property is subject. Seller has obtained all necessary authorizations, approvals and consents to the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

Section 2.12.3 Seller has not received written notice of a violation of any local, state or federal law or regulation that has a material impact on the Property or that there has been or may be an investigation of the Property by any governmental authority having jurisdiction over the Property. There is no moratorium nor any condemnation proceeding either instituted or planned to be instituted which would affect any part of the Property. Except as disclosed in the documents delivered to Buyer under Section 2.10: (i) there is no environmental, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would affect any part of the Property, (ii) there are no special assessment proceedings affecting the Property, and (iii) there is no litigation, action, arbitration, mediation, reference or other proceeding that is pending or threatened in writing against the Property or against Seller solely with respect to the Property. Seller shall notify Buyer promptly of any such proceedings or litigation of which Seller becomes aware.

Section 2.12.4 Seller has not entered into any service contracts, equipment leasing contracts or other contracts relating to the Property which will be in force after the Closing, except for contracts disclosed by the PTR.

Section 2.13 Brokers' Commissions. Buyer represents and warrants to Seller that Buyer has used no broker, agent, finder or other person in connection with the transaction contemplated hereby to whom a brokerage or other commission or fee may be payable. Seller represents and warrants to Buyer that Seller has used no broker, agent, finder or other person in connection with the transaction contemplated hereby to whom a brokerage or other commission or fee may be payable. Each Party indemnifies and agrees to defend and hold the other harmless from any claims, liabilities, costs, expenses and damages resulting from any breach by the indemnifying Party of the warranties, representations and covenants in this Section.

ARTICLE 3. HAZARDOUS MATERIALS

Section 3.1 The Seller makes no representations or warranties, express or implied, whatsoever to the Buyer as to the condition of the Property, including but not limited to whether the Property contains any Hazardous Materials, or the suitability of the Property for the purposes for which it is acquired by Buyer. If the Property is not in a condition suitable for the use or uses to which they shall be put, then it is the sole responsibility and obligation of the Buyer to take such action (or cause another responsible or obligated party to take such action) as may be necessary to place the Property in a condition suitable for such purposes. The Buyer acknowledges and agrees specifically that the Seller shall have no responsibility or obligation with respect to the suitability of the Property for the purposes for which it is acquired by the Buyer or the existence of any Hazardous Materials on, under, in or about the Property.

Section 3.2 The Buyer, on behalf of itself and its successors, affiliates, partners, and assigns, agrees to indemnify, protect, defend and hold harmless the Seller, including, but not limited to, the Seller's servants, employees, agents, representatives, successors, administrators, assigns, and attorneys, and of each of them alone, from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees and costs), resulting from, arising out of, or based upon the past, present and future: (i) presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, the Property or the transportation of any such Hazardous Materials to or from the Property, as a result of the Buyer's occupancy, use or development of the Property, or (ii) violation, or alleged violation, of compliance with the requirements of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal of Hazardous Materials on, under, in or about the Property during Buyer's occupancy, use or development of the Property. This indemnity shall include, without limitation, any damage, liability, fine, penalty, or expense, including without limitation, attorney and expert fees, arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment, and the cost of clean-up of the Property, or any portion thereof, or any improvements thereon, caused by or resulting from any Hazardous Material, or toxic substances or waste existing on, under, in, about or adjacent to the Property. The provisions of this Section shall survive the Close of Escrow or the termination of this Agreement, as applicable.

Section 3.3 AS OF THE CLOSING, THE BUYER, ON BEHALF OF ITSELF AND ITS SUCCESSORS, HEREBY FULLY AND ENTIRELY RELEASES AND DISCHARGES THE SELLER (INCLUDING, BUT NOT LIMITED TO, THE SELLER'S OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS, ADMINISTRATORS, ASSIGNS, AND ATTORNEYS (COLLECTIVELY, "RELEASED PARTIES") AND OF EACH OF THEM, OF AND FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, DEMANDS, LIABILITIES, DAMAGES, AND LOSSES, OF WHATEVER NATURE, ANTICIPATED OR UNANTICIPATED, KNOWN OR UNKNOWN, ON ACCOUNT OF THE PHYSICAL CONDITION OF THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR THE PURPOSES FOR WHICH IT IS ACQUIRED BY THE BUYER, OR THE

PRESENCE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE PROPERTY OR IN CONNECTION WITH, OR IN ANY WAY RELATED TO THE PROPERTY. THIS RELEASE CONSTITUTES AN EXPLICIT WAIVER BY THE BUYER, AND ITS SUCCESSORS AND ASSIGNS, OF EACH AND ALL OF THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH STATES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Buyer's Initials: 

Notwithstanding the foregoing provisions, including the provisions in Section 3.1.2, the releases and waivers set forth in this Agreement do not excuse and shall not apply to any failure by Seller to disclose material facts known to Seller regarding the Property or Seller's breach of this Agreement.

Section 3.4 The Buyer hereby declares and represents that it is effecting and executing this release of the Seller after having read all of this release and with full understanding of its meaning and effect and after having received or the opportunity to receive full legal advice as to its rights from an attorney.

ARTICLE 4. INDEMNITY

Section 4.1 From and after the Effective Date, Buyer hereby agrees to indemnify, defend, protect, and hold harmless the Seller and any and all officials, agents, employees and representatives of the Seller, from and against all losses, liabilities, claims, damages, penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney and expert fees) and demands of any nature whatsoever, to the extent related directly or indirectly to, or arising out of or in connection with:

- (i) any breach or default by Buyer under this Agreement;
- (ii) any of Buyer's activities on the Property (or the activities of Buyer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors, or independent contractors on the Property), including without limitation, construction and operation of improvements on the Property; and
- (iii) any other acts, occurrences, omissions or other matters that take place or exist on the Property after the Close of Escrow (that are not caused by Seller),

in each case, regardless of whether such losses, liabilities, claims, damages, penalties, fines, forfeitures, costs, expenses and demands shall accrue or are discovered before or after termination or expiration of this Agreement. The Seller may in its discretion, and at its own cost, participate in the defense of any such legal action. The provisions of this Section shall survive the Close of Escrow or the termination or expiration of this Agreement as applicable.

ARTICLE 5. EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Events of Default by Buyer. The occurrence of any of the following shall constitute an Event of Default by Buyer under this Agreement after the expiration of any applicable notice and cure period:

Section 5.1.1 Any breach of this Agreement not described below in this Section that is not cured within thirty (30) calendar days after written notice from Seller setting forth the nature of the default and the actions, if any, required by the Seller of the Buyer to cure such default provided, however, if such cure cannot reasonably be effected within such thirty (30) day period, such failure shall not be an Event of Default so long as the Buyer promptly (in any event, within thirty (30) calendar days after such notice is given if reasonable given the circumstances) commences a cure, and thereafter diligently prosecutes such cure to completion.

Section 5.1.2 Following expiration of the Investigation Period, the Buyer's failure to purchase the Property through no fault of Seller when Buyer is otherwise obligated to do so under the terms of this Agreement, and all conditions precedent to Buyer's obligations to close Escrow have been satisfied or expressly waived, including the Buyer's Contingencies (defined in Section 2.4), that is not cured within five (5) calendar days after written notice from Seller.

Section 5.1.3 The filing of a petition in bankruptcy by or against the Buyer, or its general partner, or appointment of a receiver or trustee of any property of the Buyer, or an assignment by the Buyer for the benefit of creditors, or adjudication that the Buyer is insolvent by a court (provided that in the case of bankruptcy filing against Buyer or the appointment of a receiver or trustee at the request of a third party, an Event of Default by the Buyer shall not be deemed to have occurred unless Buyer fails to cause such filing or appointment to be removed or discharged within sixty (60) calendar days.

Section 5.2 Events of Default by Seller. The occurrence of the following shall constitute an Event of Default by Seller under this Agreement:

Section 5.2.1 Any breach of this Agreement not described below in this Section, that is not cured within thirty (30) calendar days after written notice from Buyer setting forth the nature of the default and the actions, if any, required by the Buyer of the Seller to cure such default provided, however, if such cure cannot reasonably be effected with such thirty (30) day period, such failure shall not be an Event of Default so long as the Seller promptly (in any event, within thirty (30) calendar days after such notice is given) commences a cure, and thereafter diligently prosecutes such cure to completion.

Section 5.2.2 Seller's failure to convey the Property to Buyer when Seller is otherwise obligated to do so under the terms of this Agreement, and all conditions precedent to Buyer's obligations to close Escrow have been satisfied or expressly waived, including the Seller's Contingencies (as defined in Section 2.5), that is not cured within five (5) calendar days after written notice from Buyer.

Section 5.3 Sellers's Remedies. If any Event of Default by Buyer occurs, then the Seller shall be entitled to all remedies available at law or in equity, including, without limitation, specific performance (except as provided otherwise in the liquidated damages provision set forth in Section 2.2.5).

Section 5.4 Buyer's Remedies. If any Event of Default by Seller occurs, then the Buyer shall be entitled to all remedies available at law or in equity, including, without limitation, specific performance.

Section 5.5 Inaction Not a Waiver of Default. Except as expressly provided in this Agreement to the contrary, any failures or delays by either Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such Party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 5.6 Limitation on Remedies. In no event shall either Party be liable for any speculative or punitive damages. In no event shall either Party's direct or indirect partners, shareholders, members, owners or affiliates, any officer, director, employee or agent of the foregoing, or any affiliate or controlling person thereof have any liability for any claim, cause of action or other liability arising out of or relating to this Agreement, whether based on contract, common law, statute, equity or otherwise.

ARTICLE 6. GENERAL PROVISIONS

Section 6.1 Taking. If the entire Property or any material part thereof is taken or is the subject of a notice of taking by eminent domain prior to the Close of Escrow, Seller shall promptly notify Buyer. Within ten (10) business days after such notice, Buyer shall give notice that it elects to: (i) terminate this Agreement, in which event Escrow Holder shall return the Deposit to Buyer and the Parties shall have no further obligations hereunder (except obligations set forth herein which expressly survive the termination of this Agreement), or (ii) proceed to Closing, in which event Seller shall pay over and assign to Buyer all awards recovered or recoverable on account of such taking. If Buyer elects to proceed under clause (ii) above, Seller shall not compromise, settle, or adjust any claims to such awards without Buyer's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

Section 6.2 Construction. The Parties agree that each Party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Agreement or any amendments or exhibits hereto.

Section 6.3 Police Power. Nothing contained herein shall be deemed to limit, restrict, amend or modify, or to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of the Seller, or their departments, commissions, agencies and boards and the officers thereof, including, without limitation, any general or specific plan or any zoning ordinances, or any of the Seller's duties, obligations, rights or remedies thereunder or pursuant thereto or the

general police powers, rights, privileges and discretion of the Seller in the furtherance of the public health, welfare and safety of the inhabitants thereof; provided, however, that the Seller agrees not to take any intentional action to frustrate or hinder the intent or effect of this Agreement.

Section 6.4 Interpretation. In this Agreement the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words "person" and "Party" include corporation, partnership, firm, trust, or association where the context so requires.

Section 6.5 Time of the Essence. Time is of the essence of this Agreement and all Parties' obligations hereunder.

Section 6.6 Notices. Notices, demands and communications between the Seller and the Buyer shall be deemed sufficiently given if addressed as set forth below and: (i) sent by certified mail, postage prepaid, return receipt requested, (ii) sent by nationally-recognized reputable overnight delivery service, or (iii) sent by facsimile; or by email, with a hard copy to follow by either of the methods set forth in (i) and (ii) above, within twenty four (24) hours after delivery. Such written notices, demands and communications may be sent in the same manner to such other addresses or to such other address as any Party may from time to time designate by mail as provided in this Section, and shall be deemed received upon delivery or refusal of delivery, as shown on the return receipt, if mailed, or one (1) business day after deposit of same with a nationally recognized reputable overnight delivery service for overnight delivery if sent by such a delivery service, or if given by facsimile or email, when sent with electronic confirmation of receipt, or the next business day if received after 5:00 PM. Pacific Time.

To the Buyer:

Canon Station, LLC
c/o McKinley Realty Partners
One Kaiser Plaza, Suite 1450
Oakland, California 94612
Phone: (510) 451-4400
Fax: (510) 451-3174
Attn: Dan Aguilar
Email: dan@mckinleyp.com

with a copy to:

Robert Miller, Esq.
Lubin Olson, LLP
200 Pringle Ave., Suite 470
Walnut Creek, CA 94596
Telephone: (415) 955-5053
Fax: (415) 981-4343
Email: rmiller@lubinolson.com

To Fairfield: **City of Fairfield**
 1000 Webster St., 2nd Floor
 Fairfield, California 94533
 Attn: Karl A. Dumas

To Vacaville: **City of Vacaville**
 650 Merchant Street
 Vacaville, California 95688
 Attn: City Manager

Section 6.7 Attorneys' Fees. If any Party brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing Party in any such action shall be entitled to its reasonable attorneys' fees to be paid by the losing Party as fixed by the court.

Section 6.8 Authority of City Managers. The City Managers of Vacaville and Fairfield, or their authorized designees, are authorized to give all consents and approvals contemplated hereunder on behalf of their respective cities provided they are in writing, and may extend deadlines herein and enter into other non-substantive amendments provided the extensions and amendments are express and in writing.

Section 6.9 Venue. In the event of any litigation hereunder, all such actions shall be instituted in the Superior Court of the County of Solano, State of California or an appropriate federal District Court in the Eastern District of the State of California.

Section 6.10 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

Section 6.11 No Right to Assign. Buyer may assign its rights under this Agreement to an entity that is majority owned by Buyer and also controlled by Buyer provided reasonable prior written notice and evidence of such ownership and control is provided to Seller together with the proposed assignment and assumption agreement.

Section 6.12 Successors and Assigns. Subject to the restrictions on transfers set forth in this Agreement, the provisions hereof shall be binding upon, and shall inure to the benefit of, the Seller and the Buyer and their successors and assigns.

Section 6.13 No Joint Venture. Nothing contained herein shall be construed to render the Seller in any way or for any purpose a partner, joint venture, or associated in any relationship with the Buyer, nor shall this Agreement be construed to authorize either Party to act as agent for the other.

Section 6.14 Waiver. The waiver by the Seller or the Buyer of any breach by the other Party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term,

covenant, or condition herein contained. Either Party's acceptance of any performance by the other Party after the due date of such performance shall not be deemed to be a waiver by either Party of any preceding breach by the other Party of any term, covenant, or condition of this Agreement, regardless of such Party's knowledge of such preceding breach at the time of acceptance of such performance.

Section 6.15 Entire Agreement, Waivers and Amendments. This Agreement, together with all attachments and exhibits hereto and all documents to be executed and delivered pursuant to this Agreement, constitutes the entire understanding and agreement of the Parties hereto. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. Any waiver, amendment, or modification of any provision of this Agreement must be in writing and signed by both Parties.

Section 6.16 Execution in Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

Section 6.17 Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

SELLER:

CITY OF FAIRFIELD

By: David A. White

David A. White,
City Manager

BUYER:

CANON STATION, LLC,
a California limited liability company

By: Daniel J. Aguilar

Print Name: Daniel J. Aguilar
Title: Managing Member

Attest

By: Eva Hoff

Print Name: Eva Hoff
Title: Deputy City Clerk

Approved as to Form:

By: Bruce Galloway

Bruce Galloway of
Richards, Watson & Gershon

SELLER:

CITY OF VACAVILLE

By: Laura C. Kuhn

Laura C. Kuhn,
City Manager

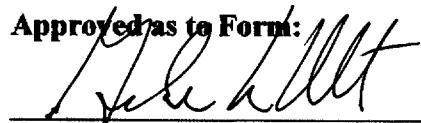
4-28-16

Attest

By: Claudia Archer

Print Name: Claudia Archer
Title: Deputy City Clerk

Approved as to Form:



Gerald L. Hobrecht,
City Attorney

List of Exhibits

Exhibit "A"	Legal Description of Land
Exhibit "B"	Form of Deed of Trust
Exhibit "C"	Form of Grant Deed
Exhibit "D"	Form of Promissory Note
Exhibit "E"	Seller's Insurance Requirements

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

ALL OF THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF SOLANO, STATE OF CALIFORNIA LYING WITHIN SECTION 3 OF TOWNSHIP 5 NORTH, RANGE 1 WEST, MOUNT DIABLO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FENCE CORNER MARKING THE SOUTHEAST CORNER OF SAID SECTION 3 AS CALLED FOR IN DEED TO MARGARET NOONAN KELLY, THOMAS ROSS KELLY AND JAMES FITZGERALD KELLY, RECORDED JANUARY 24, 1952 AND FILED IN BOOK 609 OF OFFICIAL RECORDS AT PAGE 44 IN THE OFFICE OF THE SOLANO COUNTY RECORDER, FROM SAID CORNER A 1" IRON PIPE TAGGED RCE 9903 BEARS SOUTH 79° WEST 24.2 FEET AND IS SHOWN ON THE MAP ENTITLED "RECORD OF SURVEY OF SECTION 11 T.5N.R.I.W. MOB AND M", RECORDED MAY 1, 1962 AND FILED IN BOOK 7 OF SURVEYS AT PAGE 100 IN SAID RECORDERS OFFICE, THENCE, FROM SAID POINT OF BEGINNING ALONG THE SOUTH LINE OF SAID SECTION 3, SOUTH 89° 37' 50" WEST 2906.51 FEET TO A POINT ON A 3° TAPERED CURVE ON THE EASTERLY LINE OF THAT CERTAIN 100.00 FOOT WIDE RIGHT OF WAY GRANTED TO SACRAMENTO NORTHERN RAILROAD BY DEED RECORDED JUNE 10, 1922 AND FILED IN BOOK 259 OF DEEDS AT PAGE 201 IN SAID RECORDERS OFFICE, THENCE, NORTHWESTERLY ALONG SAID 3° TAPERED CURVE TO THE LEFT FOLLOWING THE MEANDERINGS OF AN OLD FENCE 1040.0 FEET TO THE END OF SAID CURVE, THENCE CONTINUING ALONG SAID EASTERLY LINE AND OLD FENCE NORTH 21° 22' 16" WEST 2545.71 FEET (ALSO DESCRIBED AS BEING NORTH 21° 25' WEST IN SAID BOOK 259 OF DEEDS AT PAGE 201) TO A POINT ON THE EASTERLY LINE OF TRACT ONE OF PARCEL ONE, SAID TRACT ONE BEING DESCRIBED IN THE DECLARATION OF TAKING RECORDED JULY 15, 1963 AND FILED IN BOOK 1210, OFFICIAL RECORDS AT PAGE 600 IN SAID RECORDER'S OFFICE; THENCE, ALONG SAID EASTERLY LINE OF TRACT ONE, NORTH 37° 50' 27" EAST 419.37 FEET IN SAID BOOK 1210, OFFICIAL RECORDS, PAGE 600; THENCE, CONTINUING ALONG SAID EASTERLY LINE OF TRACT ONE, NORTH 17° 14' EAST, 825.6 FEET TO A CONCRETE MONUMENT; THENCE, LEAVING SAID EASTERLY LINE OF TRACT ONE, SOUTH 53° 41' 48" EAST, 3336.29 FEET; THENCE, SOUTH 19° 17' 49" EAST, 1209.38 FEET; THENCE PARALLEL WITH THE EAST LINE OF SECTION 3, SOUTH 02° 59' 22" EAST, 606.10 FEET, THENCE, NORTH 87° 00' 24" EAST, 359.44 FEET TO A POINT ON SAID EAST LINE OF SECTION 3; THENCE, ALONG SAID EAST LINE OF SECTION 3, FOLLOWING THE MEANDERINGS OF AND OLD FENCE SOUTH 02° 59' 22" EAST, 782.02 FEET TO THE POINT OF BEGINNING.

APN: 0166-020-130

EXHIBIT "B"

FORM OF DEED OF TRUST

(Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fairfield
Community Development Department
1000 Webster Street, 2nd Floor
Fairfield, CA 94533
Attn: _____

APN: 0166-020-130

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS (this "Deed of Trust") is dated as of _____, 2016, and is executed by CANON STATION, LLC, a California limited liability company ("Trustor"), in favor of PLACER TITLE COMPANY, as "Trustee," for the benefit of the CITY OF FAIRFIELD ("Fairfield") and the CITY OF VACAVILLE ("Vacaville"), both California municipal corporations, collectively "Beneficiary."

Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that certain land in Solano County, California, described on Exhibit "A" attached hereto;

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to Trustor to collect and apply such rents, issues, and profits;

TOGETHER WITH all buildings and improvements of every kind and description now or hereafter erected or placed thereon, and all fixtures, including but not limited to all gas and electric fixtures, engines and machinery, radiators, heaters, furnaces, heating equipment, laundry equipment, steam and hot water boilers, stoves, ranges, elevators and motors, bath tubs, sinks, water closets, basins, pipes, faucets and other plumbing and heating fixtures, mantels, cabinets, refrigerating plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, and all shades, awnings, screens, blinds and other furnishings, it being hereby agreed that all such fixtures and furnishings shall to the extent permitted by law be deemed to be permanently affixed to and a part of the realty;

TOGETHER WITH all building materials and equipment now or hereafter delivered to the premises and intended to be installed therein;

TOGETHER WITH all articles of personal property owned by the Trustor now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the lands described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to the building or buildings in any manner.

All of the foregoing, together with the real property described in Exhibit A, is herein referred to as the "Property."

For the Purpose of Securing:

- (1) Performance of each agreement of Trustor herein.
- (2) Payment of the indebtedness evidenced by that certain promissory note (the "Note") of even date herewith, as hereafter amended, in the stated principal sum of \$2,428,750, executed by Trustor, as maker, in favor of Beneficiary, as payee.

NOTE: THE RIGHTS AND OBLIGATIONS OF FAIRFIELD AND VACAVILLE WITH RESPECT TO THE NOTE AND THIS DEED OF TRUST ARE SET FORTH IN AN UNRECORDED INTERCREDITOR AGREEMENT EXECUTED BY FAIRFIELD AND VACAVILLE.

Trustor agrees:

- (1) That it shall faithfully perform each and every covenant contained in the Note.
- (2) To keep the improvements now or hereafter located on the land in good condition and repair (except for demolition, alteration and construction performed in accordance with applicable law and all required governmental permits and approvals); to complete or restore promptly and in good workmanlike manner any building which may be damaged or destroyed by casualty; to pay when due all claims for labor performed and materials furnished; to comply with all laws affecting the Property, or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.
- (3) To provide, maintain and deliver to Beneficiary fire and extended coverage insurance with endorsements for vandalism, malicious mischief, and special extended perils, in the full replacement value of the improvements (excluding footings and foundations with no co-insurance penalty provision), and with endorsements for increases in costs due to changes in code and inflation, and any other insurance requested by Beneficiary, and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be

released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Beneficiary shall have the right to pay any insurance premiums when due should Trustor fail to make them, and all such payments made by the Beneficiary shall be added to the principal sum secured hereby. Beneficiary shall release all insurance or condemnation proceeds to Trustor to be used to reconstruct the improvements on the Property provided that such Beneficiary determines that such restoration, repair or rebuilding is economically feasible.

(4) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

(5) To pay: at least ten (10) calendar days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto (provided, however, that Trustor may dispute in good faith any such tax or assessment after posting bond on same).

(6) That should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary, without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes with written notice to Trustor; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay its reasonable fees.

(7) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby, any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time the statement is made.

(8) The Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the Property any lien or liens except as authorized by Beneficiary and further that it will keep and maintain the Property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on the Property, or will cause the release of or will provide a bond against any such liens within ten (10) days of the attachment of the lien or liens.

(9) That any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who

may apply or release such moneys it receives in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(10) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(11) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of the Property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(12) That upon written request of Beneficiary stating that all sums secured hereby have been paid or forgiven by Beneficiary, and upon surrender of the Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(13) That Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents, income and profits of the Property encumbered hereby, and hereby give to and confer upon Beneficiary the right, power and authority to collect such rent, income, and profits, and Trustor irrevocably appoints Beneficiary Trustor's true and lawful attorney at the option of Beneficiary, at any time, to give receipts, releases and satisfactions and to sue, either in the name of Trustor or in the name of Beneficiary, for all income, and apply the same to the indebtedness secured hereby; provided, however, so long as no default by Trustor in the payment of any indebtedness secured hereby shall exist and be continuing beyond any applicable cure period expressly provided therein, then, Trustor shall have the right to collect all rent, income and profits from the Property and to retain, use and enjoy the same. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(14) That upon default by Trustor in payment of any indebtedness secured hereby, or in performance of any agreement hereunder, which default remains uncured after ten (10) days' written notice to Trustor, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the

Note and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at the sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(15) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title estate, rights, powers and duties. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

(16) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(17) If Trustor shall die or sell, convey, hypothecate, transfer, encumber or alienate the Property, or any part thereof, or any interest therein, or shall be divested of title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, or if Trustor shall fail to make any payments due under the Note, or fail to perform any other obligation under this Deed of Trust or the Note, or any other deed of trust encumbering the Property or other promissory note or agreement secured thereby, then Beneficiary shall have the right, at its option, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

(18) That Trustor shall promptly pay when due the payments of interest, principal, and all other charges accruing under any superior or prior trust deed, mortgage, or other instrument

encumbering the Property. Beneficiary shall have the right, but not the obligation, to cure any defaults on any superior or prior deed of trust or promissory note secured thereby and upon curing such default Trustor shall immediately reimburse Beneficiary for all costs and expenses incurred thereby, together with interest thereon at the maximum legal rate permitted to be charged by non-exempt lenders under the State of California, and Trustor's failure to pay such amount on demand shall be a breach hereof. Trustor's breach or default of any covenant or condition of any superior or prior trust deed, mortgage or other instrument encumbering the Property shall be a default under this Deed of Trust.

(19) Beneficiary shall have the right to declare all sums under the Note secured hereby immediately due and payable as provided in the Note.

(20) The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder (and any other notices hereunder) be mailed to it at the following address:

Canon	Station,	LLC
c/o McKinley Realty Partners		
One Kaiser Plaza, Suite 1450		
Oakland, California 94612		
Phone: (510) 451-4400		
Fax: (510) 451-3174		
Attn: Dan Aguilar		

with a copy to:

Robert Miller, Esq. Lubin Olson, LLP 200 Pringle Ave., Suite 470 Walnut Creek, CA 94596 Telephone: (415) 955-5053 Fax: (415) 981-4343
--

(21) Upon receipt by Fairfield or Vacaville of all principal and interest payable to it under the Note and any other sums payable to it under this Deed of Trust, the entity receiving such payments shall have no further rights under the Note or this Deed of Trust and shall promptly execute and deliver (and cause to be acknowledged, as applicable) any and all documents (including, without limitation, assignment, quitclaim, amendment, and/or termination documents) requested in good faith by the entity that has not been fully paid or by the Trustee hereunder to confirm or evidence that the entity that has been fully paid shall have no further rights under the Note and this Deed of Trust. The foregoing is for the benefit of Fairfield and Vacaville only.

COVENANTS OF BENEFICIARY.

SUBORDINATION. Beneficiary agrees to subordinate the lien of this Deed of Trust from time to time to the liens of one or more subsequent deed(s) of trust or other encumbrances that are obtained by Trustor in order to finance Community Facilities Districts with respect to the development of the Property (the "Subordinating Facilities"), in Beneficiary's discretion, not to be unreasonably denied, delayed or conditioned, upon Trustor's written request therefor together

with a copy of the instrument as to which subordination is requested and all documentation relating to the applicable Community Facilities District. Beneficiary and Trustor shall execute a reasonable subordination agreement in a reasonable form requested by the holder of the Subordinating Facilities upon Beneficiary's approval of such request.

TRUSTOR:

CANON STATION, LLC,
a California limited liability company

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

BENEFICIARY:

CITY OF FAIRFIELD

By: _____

David A. White,
City Manager

Attest

By: _____

Print Name: _____

Title: _____

Approved as to Form:

Bruce Galloway of
Richards, Watson & Gershon

BENEFICIARY:

CITY OF VACAVILLE

By: _____

Laura C. Kuhn,
City Manager

Attest

By: _____

Print Name: _____

Title: _____

Approved as to Form:

Gerald L. Hobrecht,
City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Solano)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Solano)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"
DESCRIPTION OF LAND

ALL OF THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF SOLANO, STATE OF CALIFORNIA LYING WITHIN SECTION 3 OF TOWNSHIP 5 NORTH, RANGE 1 WEST, MOUNT DIABLO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FENCE CORNER MARKING THE SOUTHEAST CORNER OF SAID SECTION 3 AS CALLED FOR IN DEED TO MARGARET NOONAN KELLY, THOMAS ROSS KELLY AND JAMES FITZGERALD KELLY, RECORDED JANUARY 24, 1952 AND FILED IN BOOK 609 OF OFFICIAL RECORDS AT PAGE 44 IN THE OFFICE OF THE SOLANO COUNTY RECORDER, FROM SAID CORNER A 1" IRON PIPE TAGGED RCE 9903 BEARS SOUTH 79° WEST 24.2 FEET AND IS SHOWN ON THE MAP ENTITLED "RECORD OF SURVEY OF SECTION 11 T.5N.R.I.W. MOB AND M", RECORDED MAY 1, 1962 AND FILED IN BOOK 7 OF SURVEYS AT PAGE 100 IN SAID RECORDERS OFFICE, THENCE, FROM SAID POINT OF BEGINNING ALONG THE SOUTH LINE OF SAID SECTION 3, SOUTH 89° 37' 50" WEST 2906.51 FEET TO A POINT ON A 3° TAPERED CURVE ON THE EASTERLY LINE OF THAT CERTAIN 100.00 FOOT WIDE RIGHT OF WAY GRANTED TO SACRAMENTO NORTHERN RAILROAD BY DEED RECORDED JUNE 10, 1922 AND FILED IN BOCK 259 OF DEEDS AT PAGE 201 IN SAID RECORDERS OFFICE, THENCE, NORTHWESTERLY ALONG SAID 3° TAPERED CURVE TO THE LEFT FOLLOWING THE MEANDERINGS OF AN OLD FENCE 1040.0 FEET TO THE END OF SAID CURVE, THENCE CONTINUING ALONG SAID EASTERLY LINE AND OLD FENCE NORTH 21° 22' 16" WEST 2545.71 FEET (ALSO DESCRIBED AS BEING NORTH 21° 25' WEST IN SAID BOOK 259 OF DEEDS AT PAGE 201) TO A POINT ON THE EASTERLY LINE OF TRACT ONE OF PARCEL ONE, SAID TRACT ONE BEING DESCRIBED IN THE DECLARATION OF TAKING RECORDED JULY 15, 1963 AND FILED IN BOOK 1210, OFFICIAL RECORDS AT PAGE 600 IN SAID RECORDER'S OFFICE; THENCE, ALONG SAID EASTERLY LINE OF TRACT ONE, NORTH 37° 50' 27" EAST 419.37 FEET IN SAID BOOK 1210, OFFICIAL RECORDS, PAGE 600); THENCE, CONTINUING ALONG SAID EASTERLY LINE OF TRACT ONE, NORTH 17° 14' EAST, 825.6 FEET TO A CONCRETE MONUMENT; THENCE, LEAVING SAID EASTERLY LINE OF TRACT ONE, SOUTH 53° 41' 48" EAST, 3336.29 FEET; THENCE, SOUTH 19° 17' 49" EAST, 1209.38 FEET; THENCE PARALLEL WITH THE EAST LINE OF SECTION 3, SOUTH 02° 59' 22" EAST, 606.10 FEET, THENCE, NORTH 87° 00' 24" EAST, 359.44 FEET TO A POINT ON SAID EAST LINE OF SECTION 3; THENCE, ALONG SAID EAST LINE OF SECTION 3, FOLLOWING THE MEANDERINGS OF AND OLD FENCE SOUTH 02° 59' 22" EAST, 782.02 FEET TO THE POINT OF BEGINNING.

APN: 0166-020-130

EXHIBIT "C"

FORM OF GRANT DEED

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

APN: 0166-020-130

(SPACE ABOVE FOR RECORDER'S USE ONLY)

This document is exempt from the payment of a recording fee pursuant to Government Code §6103.

Documentary Transfer Tax: _____; Property is in the City of Fairfield, County of Solano.

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF FAIRFIELD, a municipal corporation, and the CITY OF VACAVILLE, a municipal corporation (collectively "Grantor"), hereby GRANT to CANON STATION, LLC, a California limited liability company ("Grantee"), that certain real property located in the City of Fairfield, County of Solano, State of California, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference including all improvements thereon (the "Property").

SUBJECT TO, a lien to secure payment of general and special real property taxes and assessments, not delinquent; the lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with California Revenue and Taxation Code Section 75; and

FURTHER SUBJECT TO, any and all existing building and use restrictions, easements, licenses, rights-of-way, conditions, covenants, restrictions, reservations, liens, encumbrances, exceptions, and other matters of record; and

FURTHER SUBJECT TO, all matters apparent from an inspection of the Property or which a current, accurate survey of the Property would disclose (including, but not limited to, encroachments, overlaps, boundary line disputes, drains, streams or watercourses).

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of the date set forth below.

GRANTOR:

CITY OF FAIRFIELD

By: _____

**David A. White,
City Manager**

CITY OF VACAVILLE

By: _____

**Leonard J. Augustine,
Mayor**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Solano)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Solano)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

Exhibit A To Grant Deed

Legal Description

ALL OF THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF SOLANO, STATE OF CALIFORNIA LYING WITHIN SECTION 3 OF TOWNSHIP 5 NORTH, RANGE 1 WEST, MOUNT DIABLO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FENCE CORNER MARKING THE SOUTHEAST CORNER OF SAID SECTION 3 AS CALLED FOR IN DEED TO MARGARET NOONAN KELLY, THOMAS ROSS KELLY AND JAMES FITZGERALD KELLY, RECORDED JANUARY 24, 1952 AND FILED IN BOOK 609 OF OFFICIAL RECORDS AT PAGE 44 IN THE OFFICE OF THE SOLANO COUNTY RECORDER, FROM SAID CORNER A 1" IRON PIPE TAGGED RCE 9903 BEARS SOUTH 79° WEST 24.2 FEET AND IS SHOWN ON THE MAP ENTITLED "RECORD OF SURVEY OF SECTION 11 T.5N.R.I.W. MOB AND M", RECORDED MAY 1, 1962 AND FILED IN BOOK 7 OF SURVEYS AT PAGE 100 IN SAID RECORDERS OFFICE, THENCE, FROM SAID POINT OF BEGINNING ALONG THE SOUTH LINE OF SAID SECTION 3, SOUTH 89° 37' 50" WEST 2906.51 FEET TO A POINT ON A 3° TAPERED CURVE ON THE EASTERLY LINE OF THAT CERTAIN 100.00 FOOT WIDE RIGHT OF WAY GRANTED TO SACRAMENTO NORTHERN RAILROAD BY DEED RECORDED JUNE 10, 1922 AND FILED IN BOCK 259 OF DEEDS AT PAGE 201 IN SAID RECORDERS OFFICE, THENCE, NORTHWESTERLY ALONG SAID 3° TAPERED CURVE TO THE LEFT FOLLOWING THE MEANDERINGS OF AN OLD FENCE 1040.0 FEET TO THE END OF SAID CURVE, THENCE CONTINUING ALONG SAID EASTERLY LINE AND OLD FENCE NORTH 21° 22' 16" WEST 2545.71 FEET (ALSO DESCRIBED AS BEING NORTH 21° 25' WEST IN SAID BOOK 259 OF DEEDS AT PAGE 201) TO A POINT ON THE EASTERLY LINE OF TRACT ONE OF PARCEL ONE, SAID TRACT ONE BEING DESCRIBED IN THE DECLARATION OF TAKING RECORDED JULY 15, 1963 AND FILED IN BOOK 1210, OFFICIAL RECORDS AT PAGE 600 IN SAID RECORDER'S OFFICE; THENCE, ALONG SAID EASTERLY LINE OF TRACT ONE, NORTH 37° 50' 27" EAST 419.37 FEET IN SAID BOOK 1210, OFFICIAL RECORDS, PAGE 600); THENCE, CONTINUING ALONG SAID EASTERLY LINE OF TRACT ONE, NORTH 17° 14' EAST, 825.6 FEET TO A CONCRETE MONUMENT; THENCE, LEAVING SAID EASTERLY LINE OF TRACT ONE, SOUTH 53° 41' 48" EAST, 3336.29 FEET; THENCE, SOUTH 19° 17' 49" EAST, 1209.38 FEET; THENCE PARALLEL WITH THE EAST LINE OF SECTION 3, SOUTH 02° 59' 22" EAST, 606.10 FEET, THENCE, NORTH 87° 00' 24" EAST, 359.44 FEET TO A POINT ON SAID EAST LINE OF SECTION 3; THENCE, ALONG SAID EAST LINE OF SECTION 3, FOLLOWING THE MEANDERINGS OF AND OLD FENCE SOUTH 02° 59' 22" EAST, 782.02 FEET TO THE POINT OF BEGINNING.

APN: 0166-020-130

EXHIBIT "D"

FORM OF PROMISSORY NOTE

(Attached.)

**PROMISSORY NOTE SECURED
BY DEED OF TRUST**

Fairfield, California

\$2,428,750.00

_____, 2016

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the CITY OF FAIRFIELD and the CITY OF VACAVILLE, municipal corporations (collectively, "Payee"), the principal sum of Two Million Four Hundred Twenty-Eight Thousand Seven Hundred Fifty and No/100 Dollars (\$2,428,750.00) as hereinafter set forth (the "Principal Amount"), plus interest on the unpaid principal balance hereof from the date hereof, at an interest rate per annum equal to three and one-half percent (3.5%) simple interest. This Note is executed and delivered by Maker in connection with that certain Purchase and Sale Agreement and Joint Escrow Instructions between Maker and Payee dated as of _____, 2016 (the "Agreement") and is secured by a Deed of Trust and Assignment of Rents dated substantially concurrently herewith executed by Maker, as trustor, for the benefit of Payee ("Deed of Trust") which shall encumber that certain real property which is further described on Exhibit "A" hereto (the "Property").

1. Accrued interest shall be paid in arrears on the first day of each calendar quarter (January 1, April 1, July 1, and October 1).

2. In addition to the interest due to the City of Vacaville under Section 1 above, \$220,591.25 of principal shall be due to the City of Vacaville (but, as described in Section 3 below, shall be paid to Fairfield for forwarding to Vacaville) on January 1, 2016, April 1, 2016, July 1, 2016, and October 1, 2016 (for a total principal payment of \$882,365.00). In addition to the interest payable to the City of Fairfield under Section 1 above, Maker shall pay \$1,546,385.00 of principal to the City of Fairfield (at its address described in Section 3 below) upon the earlier of: (i) April 1, 2022; or (ii) immediately prior to recordation of the first final subdivision map of the real property that is in the City of Fairfield's Planning Area 5.

3. All payments shall be paid to the City of Fairfield at 1000 Webster Street, 2nd floor, Fairfield, CA 94533, Attn: Jennifer Rice (and pursuant to an Intercreditor Agreement between the two cities, the City of Fairfield shall deliver to the City of Vacaville the payments due to the City of Vacaville). The allocation of payments between the two cities is described on Exhibit "B".

4. Notwithstanding Sections 1 and 2 above, all principal and accrued interest on this Note shall become immediately due and payable upon the occurrence of any of the following events which remain uncured after ten (10) days' written notice to Maker: (i) at the election of the City of Vacaville, in the event any payment of interest or principal payable to the City of

Vacaville is not paid when due; and (ii) at the election of the City of Fairfield, in the event any payment of interest or principal payable to the City of Fairfield is not paid when due; (iii) upon a default under the Deed of Trust, or under any deed of trust or other lien that is superior to the Deed of Trust that is not cured within the applicable cure period, if any, expressly set forth in such senior deed of trust or other lien (or with respect to a default on an obligation secured by a senior deed of trust, set forth in such senior deed of trust or any document creating the senior secured obligation, provided a copy thereof has been provided to the City of Fairfield and the City of Vacaville).

5. All payments pursuant to this Note are payable only in lawful money of the United States of America.

6. Unless otherwise agreed in writing by Payee or otherwise required by applicable law, payments and prepayments will be applied first to late charges and other fees, then to accrued, unpaid interest, then to principal.

7. Maker shall have the right to prepay this Note in whole or in part at any time without penalty.

8. Maker waives presentment, protest and demand, notice of protest, demand and of dishonor and non-payment of this Note, and expressly agrees that this Note, or any payment hereunder, may be extended from time to time without in any way affecting the liability of Maker and any endorsers hereof.

9. If Maker fails to make a payment when due, the outstanding principal shall bear interest until paid at the lesser of eight percent (8%) per annum or the maximum rate permitted by applicable law (which shall be allocated and paid to each Payee in the proportion that the principal owed to that Payee bears to the total principal outstanding).

10. Maker shall pay all reasonable attorneys' fees incurred by Payee in connection with any default hereunder and in any proceeding brought to enforce any of the provisions of this Note or the Deed of Trust securing this Note, and all costs and fees (including trustee's fees and costs and reasonable attorney's fees and expert fees) in connection with any foreclosure.

11. This Note shall be governed by and construed in accordance with and pursuant to the laws of the State of California without regard to the choice of law rules of the State of California.

12. If either Payee notifies Maker in writing that the rights of the other Payee under this Note have been assigned to it, then all further payments of interest and principal shall be paid to the applicable assignee (the City of Vacaville or the City of Fairfield).

IN WITNESS WHEREOF, Maker has duly executed this Note as of the day and year first written above.

MAKER:

CANON STATION, LLC,
a California limited liability company

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

ALL OF THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF SOLANO, STATE OF CALIFORNIA LYING WITHIN SECTION 3 OF TOWNSHIP 5 NORTH, RANGE 1 WEST, MOUNT DIABLO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FENCE CORNER MARKING THE SOUTHEAST CORNER OF SAID SECTION 3 AS CALLED FOR IN DEED TO MARGARET NOONAN KELLY, THOMAS ROSS KELLY AND JAMES FITZGERALD KELLY, RECORDED JANUARY 24, 1952 AND FILED IN BOOK 609 OF OFFICIAL RECORDS AT PAGE 44 IN THE OFFICE OF THE SOLANO COUNTY RECORDER, FROM SAID CORNER A 1" IRON PIPE TAGGED RCE 9903 BEARS SOUTH 79° WEST 24.2 FEET AND IS SHOWN ON THE MAP ENTITLED "RECORD OF SURVEY OF SECTION 11 T.S.N.R.I.W. MOB AND M", RECORDED MAY 1, 1962 AND FILED IN BOOK 7 OF SURVEYS AT PAGE 100 IN SAID RECORDERS OFFICE, THENCE, FROM SAID POINT OF BEGINNING ALONG THE SOUTH LINE OF SAID SECTION 3, SOUTH 89° 37' 50" WEST 2906.51 FEET TO A POINT ON A 3° TAPERED CURVE ON THE EASTERN LINE OF THAT CERTAIN 100.00 FOOT WIDE RIGHT OF WAY GRANTED TO SACRAMENTO NORTHERN RAILROAD BY DEED RECORDED JUNE 10, 1922 AND FILED IN BOOK 259 OF DEEDS AT PAGE 201 IN SAID RECORDERS OFFICE, THENCE, NORTHWESTERLY ALONG SAID 3° TAPERED CURVE TO THE LEFT FOLLOWING THE MEANDERINGS OF AN OLD FENCE 1040.0 FEET TO THE END OF SAID CURVE, THENCE CONTINUING ALONG SAID EASTERN LINE AND OLD FENCE NORTH 21° 22' 16" WEST 2545.71 FEET (ALSO DESCRIBED AS BEING NORTH 21° 25' WEST IN SAID BOOK 259 OF DEEDS AT PAGE 201) TO A POINT ON THE EASTERN LINE OF TRACT ONE OF PARCEL ONE, SAID TRACT ONE BEING DESCRIBED IN THE DECLARATION OF TAKING RECORDED JULY 15, 1963 AND FILED IN BOOK 1210, OFFICIAL RECORDS AT PAGE 600 IN SAID RECORDER'S OFFICE; THENCE, ALONG SAID EASTERN LINE OF TRACT ONE, NORTH 37° 50' 27" EAST 419.37 FEET IN SAID BOOK 1210, OFFICIAL RECORDS, PAGE 600); THENCE, CONTINUING ALONG SAID EASTERN LINE OF TRACT ONE, NORTH 17° 14' EAST, 825.6 FEET TO A CONCRETE MONUMENT; THENCE, LEAVING SAID EASTERN LINE OF TRACT ONE, SOUTH 53° 41' 48" EAST, 3336.29 FEET; THENCE, SOUTH 19° 17' 49" EAST, 1209.38 FEET; THENCE PARALLEL WITH THE EAST LINE OF SECTION 3, SOUTH 02° 59' 22" EAST, 606.10 FEET, THENCE, NORTH 87° 00' 24" EAST, 359.44 FEET TO A POINT ON SAID EAST LINE OF SECTION 3; THENCE, ALONG SAID EAST LINE OF SECTION 3, FOLLOWING THE MEANDERINGS OF AND OLD FENCE SOUTH 02° 59' 22" EAST, 782.02 FEET TO THE POINT OF BEGINNING.

APN:

0166-020-130

EXHIBIT "B"

**SCHEDULE OF ALLOCATION OF PAYMENTS RECEIVED
BY CITY OF FAIRFIELD**

(Attached.)

NBR Promissory Note Receivable

Combined schedule

Assumes Land Sale on 12/1/15

APN:	0166-020-130
Sales Amt.	\$2,428,750.00
Vac %	36.33%
	<hr/> \$882,365

City of Vacaville Portion

Initial amount of Note:	882,365
Int rate	3.50% simple
Assumed date of close:	12/1/2015

Month #	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance
1	1-Jan-2016	\$2,574	\$(2,574)	\$0	\$(220,591)	\$661,774
2	1-Feb-2016	\$1,930		\$1,930		\$661,774
3	1-Mar-2016	\$1,930		\$3,860		\$661,774
4	1-Apr-2016	\$1,930	\$(5,791)	\$-	\$(220,591)	\$441,183
5	1-May-2016	\$1,287		\$1,287		\$441,183
6	1-Jun-2016	\$1,287		\$2,574		\$441,183
7	1-Jul-2016	\$1,287	\$(3,860)	\$-	\$(220,591)	\$220,591
8	1-Aug-2016	\$643		\$643		\$220,591
9	1-Sep-2016	\$643		\$1,287		\$220,591
10	1-Oct-2016	\$643	\$(1,930)	-	\$(220,591)	-
Totals		\$14,155	\$(14,155)			\$(882,365)

\$ -

\$ -

\$ -

APN: 0166-020-130

Sales Amt. \$2,428,750.00

Vac % 63.67%

\$1,546,385

City of Fairfield Portion

Initial amount of Note: \$1,546,385

Int rate 3.50% simple

Assumed date of close: 12/1/2015

Month#	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance
1	1-Jan-2016	\$4,510	\$(4,510)		0	\$1,546,385
2	1-Feb-2016	\$4,510		\$4,510		\$1,546,385
3	1-Mar-2016	\$4,510		\$9,021		\$1,546,385
4	1-Apr-2016	\$4,510	\$(13,531)		-	\$1,546,385
5	1-May-2016	\$4,510		\$4,510		\$1,546,385
6	1-Jun-2016	\$4,510		\$9,021		\$1,546,385
7	1-Jul-2016	\$4,510	\$(13,531)		-	\$1,546,385

Month#	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance
8	1-Aug-2016	\$4,510		\$4,510		\$1,546,385
9	1-Sep-2016	\$4,510		\$9,021		\$1,546,385
10	1-Oct-2016	\$4,510	\$(13,531)		-	\$1,546,385
11	1-Nov-2016	\$4,510		\$4,510		\$1,546,385
12	1-Dec-2016	\$4,510		\$9,021		\$1,546,385
13	1-Jan-2017	\$4,510	\$(13,531)		-	\$1,546,385
14	1-Feb-2017	\$4,510		\$4,510		\$1,546,385
15	1-Mar-2017	\$4,510		\$9,021		\$1,546,385
16	1-Apr-2017	\$4,510	\$(13,531)		-	\$1,546,385
17	1-May-2017	\$4,510		\$4,510		\$1,546,385
18	1-Jun-2017	\$4,510		\$9,021		\$1,546,385
19	1-Jul-2017	\$4,510	\$(13,531)		-	\$1,546,385
20	1-Aug-2017	\$4,510		\$4,510		\$1,546,385
21	1-Sep-2017	\$4,510		\$9,021		\$1,546,385
22	1-Oct-2017	\$4,510	\$(13,531)		-	\$1,546,385
23	1-Nov-2017	\$4,510		\$4,510		\$1,546,385
24	1-Dec-2017	\$4,510		\$9,021		\$1,546,385
25	1-Jan-2018	\$4,510	\$(13,531)		-	\$1,546,385
26	1-Feb-2018	\$4,510		\$4,510		\$1,546,385
27	1-Mar-2018	\$4,510		\$9,021		\$1,546,385

Month#	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance
28	1-Apr-2018	\$4,510	\$(13,531)		-	\$1,546,385
29	1-May-2018	\$4,510		\$4,510		\$1,546,385
30	1-Jun-2018	\$4,510		\$9,021		\$1,546,385
31	1-Jul-2018	\$4,510	\$(13,531)		-	\$1,546,385
32	1-Aug-2018	\$4,510		\$4,510		\$1,546,385
33	1-Sep-2018	\$4,510		\$9,021		\$1,546,385
34	1-Oct-2018	\$4,510	\$(13,531)		-	\$1,546,385
35	1-Nov-2018	\$4,510		\$4,510		\$1,546,385
36	1-Dec-2018	\$4,510		\$9,021		\$1,546,385
37	1-Jan-2019	\$4,510	\$(13,531)		-	\$1,546,385
38	1-Feb-2019	\$4,510		\$4,510		\$1,546,385
39	1-Mar-2019	\$4,510		\$9,021		\$1,546,385
40	1-Apr-2019	\$4,510	\$(13,531)		-	\$1,546,385
41	1-May-2019	\$4,510		\$4,510		\$1,546,385
42	1-Jun-2019	\$4,510		\$9,021		\$1,546,385
43	1-Jul-2019	\$4,510	\$(13,531)		-	\$1,546,385
44	1-Aug-2019	\$4,510		\$4,510		\$1,546,385
45	1-Sep-2019	\$4,510		\$9,021		\$1,546,385
46	1-Oct-2019	\$4,510	\$(13,531)		-	\$1,546,385
47	1-Nov-2019	\$4,510		\$4,510		\$1,546,385

Month#	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance
48	1-Dec-2019	\$4,510		\$9,021		\$1,546,385
49	1-Jan-2020	\$4,510	\$(13,531)		-	\$1,546,385
50	1-Feb-2020	\$4,510		\$4,510		\$1,546,385
51	1-Mar-2020	\$4,510		\$9,021		\$1,546,385
52	1-Apr-2020	\$4,510	\$(13,531)		-	\$1,546,385
53	1-May-2020	\$4,510		\$4,510		\$1,546,385
54	1-Jun-2020	\$4,510		\$9,021		\$1,546,385
55	1-Jul-2020	\$4,510	\$(13,531)		-	\$1,546,385
56	1-Aug-2020	\$4,510		\$4,510		\$1,546,385
57	1-Sep-2020	\$4,510		\$9,021		\$1,546,385
58	1-Oct-2020	\$4,510	\$(13,531)		-	\$1,546,385
59	1-Nov-2020	\$4,510		\$4,510		\$1,546,385
60	1-Dec-2020	\$4,510		\$9,021		\$1,546,385
61	1-Jan-2021	\$4,510	\$(13,531)		-	\$1,546,385
62	1-Feb-2021	\$4,510		\$4,510		\$1,546,385
63	1-Mar-2021	\$4,510		\$9,021		\$1,546,385
64	1-Apr-2021	\$4,510	\$(13,531)		-	\$1,546,385
65	1-May-2021	\$4,510		\$4,510		\$1,546,385
66	1-Jun-2021	\$4,510		\$9,021		\$1,546,385
67	1-Jul-2021	\$4,510	\$(13,531)		-	\$1,546,385

Month#	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance
68	1-Aug-2021	\$4,510		\$4,510		\$1,546,385
69	1-Sep-2021	\$4,510		\$9,021		\$1,546,385
70	1-Oct-2021	\$4,510	\$(13,531)	-		\$1,546,385
71	1-Nov-2021	\$4,510		\$4,510		\$1,546,385
72	1-Dec-2021	\$4,510		\$9,021		\$1,546,385
73	1-Jan-2022	\$4,510	\$(13,531)	-		\$1,546,385
74	1-Feb-2022	\$4,510		\$4,510		\$1,546,385
75	1-Mar-2022	\$4,510		\$9,021		\$1,546,385
7	1-Apr-2022	\$4,510	\$(13,531)	-	\$(1,546,385)	0
		\$342,782	\$(342,782)			\$(1,546,385)

Combined between Fairfield and Vacaville

Total Payment

Schedule
(BOTH)

Month #	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance	Total Payment	Payment Date
1	1-Jan-2016	7,084	(7,084)	0	(220,591)	\$2,208,159	227,675	1/1/2016
2	1-Feb-2016	6,440	-	6,440	-	\$2,208,159	-	-
3	1-Mar-2016	6,440	-	12,881	-	\$2,208,159	-	-
4	1-Apr-2016	6,440	(19,321)	-	(220,591)	\$1,987,568	239,913	4/1/2016
5	1-May-2016	5,797	-	5,797	-	\$1,987,568	-	-
6	1-Jun-2016	5,797	-	11,594	-	\$1,987,568	-	-
7	1-Jul-2016	5,797	(17,391)	-	(220,591)	\$1,766,976	237,982	7/1/2016
8	1-Aug-2016	5,154	-	5,154	-	\$1,766,976	-	-
9	1-Sep-2016	5,154	-	10,307	-	\$1,766,976	-	-
10	1-Oct-2016	5,154	(15,461)	-	(220,591)	\$1,546,385	236,052	10/1/2016
11	1-Nov-2016	4,510	-	4,510	-	\$1,546,385	-	-

Month #	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance	Total Payment	Payment Date
12	1-Dec-2016	4,510	-	9,021	-	\$1,546,385	-	-
13	1-Jan-2017	4,510	(13,531)	-	-	\$1,546,385	13,531	1/1/2017
14	1-Feb-2017	4,510	-	4,510	-	\$1,546,385	-	-
15	1-Mar-2017	4,510	-	9,021	-	\$1,546,385	-	-
16	1-Apr-2017	4,510	(13,531)	-	-	\$1,546,385	13,531	4/1/2017
17	1-May-2017	4,510	-	4,510	-	\$1,546,385	-	-
18	1-Jun-2017	4,510	-	9,021	-	\$1,546,385	-	-
19	1-Jul-2017	4,510	(13,531)	-	-	\$1,546,385	13,531	7/1/2017
20	1-Aug-2017	4,510	-	4,510	-	\$1,546,385	-	-
21	1-Sep-2017	4,510	-	9,021	-	\$1,546,385	-	-
22	1-Oct-2017	4,510	(13,531)	-	-	\$1,546,385	13,531	10/1/2017
23	1-Nov-2017	4,510	-	4,510	-	\$1,546,385	-	-
24	1-Dec-2017	4,510	-	9,021	-	\$1,546,385	-	-
25	1-Jan-2018	4,510	(13,531)	-	-	\$1,546,385	13,531	1/1/2018

Month #	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance	Total Payment	Payment Date
26	1-Feb-2018	4,510	-	4,510	-	\$1,546,38	-	-
27	1-Mar-2018	4,510	-	9,021	-	\$1,546,38	-	-
28	1-Apr-2018	4,510	(13,531)	-	-	\$1,546,38	13,531	4/1/2018
29	1-May-2018	4,510	-	4,510	-	\$1,546,38	-	-
30	1-Jun-2018	4,510	-	9,021	-	\$1,546,38	-	-
31	1-Jul-2018	4,510	(13,531)	-	-	\$1,546,38	13,531	7/1/2018
32	1-Aug-2018	4,510	-	4,510	-	\$1,546,38	-	-
33	1-Sep-2018	4,510	-	9,021	-	\$1,546,38	-	-
34	1-Oct-2018	4,510	(13,531)	-	-	\$1,546,38	13,531	10/1/2018
35	1-Nov-2018	4,510	-	4,510	-	\$1,546,38	-	-
36	1-Dec-2018	4,510	-	9,021	-	\$1,546,38	-	-
37	1-Jan-2019	4,510	(13,531)	-	-	\$1,546,38	13,531	1/1/2019
38	1-Feb-2019	4,510	-	4,510	-	\$1,546,38	-	-
39	1-Mar-2019	4,510	-	9,021	-	\$1,546,38	-	-

Month #	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance	Total Payment	Payment Date
40	1-Apr-2019	4,510	(13,531)	-	-	\$1,546,38	13,531	4/1/2019
41	1-May-2019	4,510	-	4,510	-	\$1,546,38	-	-
42	1-Jun-2019	4,510	-	9,021	-	\$1,546,38	-	-
43	1-Jul-2019	4,510	(13,531)	-	-	\$1,546,38	13,531	7/1/2019
44	1-Aug-2019	4,510	-	4,510	-	\$1,546,38	-	-
45	1-Sep-2019	4,510	-	9,021	-	\$1,546,38	-	-
46	1-Oct-2019	4,510	(13,531)	-	-	\$1,546,38	13,531	10/1/2019
47	1-Nov-2019	4,510	-	4,510	-	\$1,546,38	-	-
48	1-Dec-2019	4,510	-	9,021	-	\$1,546,38	-	-
49	1-Jan-2020	4,510	(13,531)	-	-	\$1,546,38	13,531	1/1/2020
50	1-Feb-2020	4,510	-	4,510	-	\$1,546,38	-	-
51	1-Mar-2020	4,510	-	9,021	-	\$1,546,38	-	-
52	1-Apr-2020	4,510	(13,531)	-	-	\$1,546,38	13,531	4/1/2020
53	1-May-2020	4,510	-	4,510	-	\$1,546,38	-	-

Month #	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance	Total Payment	Payment Date
54	1-Jun-2020	4,510	-	9,021	-	\$1,546,38	-	-
55	1-Jul-2020	4,510	(13,531)	-	-	\$1,546,38	13,531	7/1/2020
56	1-Aug-2020	4,510	-	4,510	-	\$1,546,38	-	-
57	1-Sep-2020	4,510	-	9,021	-	\$1,546,38	-	-
58	1-Oct-2020	4,510	(13,531)	-	-	\$1,546,38	13,531	10/1/2020
59	1-Nov-2020	4,510	-	4,510	-	\$1,546,38	-	-
60	1-Dec-2020	4,510	-	9,021	-	\$1,546,38	-	-
61	1-Jan-2021	4,510	(13,531)	-	-	\$1,546,38	13,531	1/1/2021
62	1-Feb-2021	4,510	-	4,510	-	\$1,546,38	-	-
63	1-Mar-2021	4,510	-	9,021	-	\$1,546,38	-	-
64	1-Apr-2021	4,510	(13,531)	-	-	\$1,546,38	13,531	4/1/2021
65	1-May-2021	4,510	-	4,510	-	\$1,546,38	-	-
66	1-Jun-2021	4,510	-	9,021	-	\$1,546,38	-	-
67	1-Jul-2021	4,510	(13,531)	-	-	\$1,546,38	13,531	7/1/2021

Month #	Date	Interest Accrual	Interest Payment	Interest Balance	Principal Pmt.	Principal Balance	Total Payment	Payment Date
68	1-Aug-2021	4,510	-	4,510	-	\$1,546,38	-	-
69	1-Sep-2021	4,510	-	9,021	-	\$1,546,38	-	-
70	1-Oct-2021	4,510	(13,531)	-	-	\$1,546,38	13,531	10/1/2021
71	1-Nov-2021	4,510	-	4,510	-	\$1,546,38	-	-
72	1-Dec-2021	4,510	-	9,021	-	\$1,546,38	-	-
73	1-Jan-2022	4,510	(13,531)	-	-	\$1,546,38	13,531	1/1/2022
74	1-Feb-2022	4,510	-	4,510	-	\$1,546,38	-	-
75	1-Mar-2022	4,510	-	9,021	-	\$1,546,38	-	-
76	1-Apr-2022	4,510	(13,531)	-	(1,546,38)	0	1,559,916	4/1/2022
		356,93		(2,428,75				
		7	(356,936)	0)			2,785,686	
		0	(0)	-				

EXHIBIT "E"

SELLER'S INSURANCE REQUIREMENTS

Buyer shall comply with the laws of the State of California concerning worker's compensation, including, but not be limited to, obtaining and maintaining one or more policies of insurance insuring against any liability Buyer may have for worker's compensation.

In addition, Buyer shall obtain and maintain, at its sole cost and expense, commercial general liability and automobile insurance in the amount of One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. The Seller (Fairfield and Vacaville) shall be added as an additional insureds under the policy(s) of insurance; and such policies shall stipulate that such insurance shall operate as primary insurance. No other insurance effected by the Seller or any other named insureds under the policies of insurance required hereunder will be called upon to cover a loss covered thereunder. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the Seller.

The policies of insurance required hereunder shall provide that no cancellation, major changes in coverage, expiration or renewal shall be made without thirty (30) days prior written notice to Fairfield.

Prior to entering the Property, Buyer shall deliver to Fairfield Certificates of Insurance or endorsements demonstrating that the policies of insurance required hereunder have been obtained.

